

religious hatreds, that we can do that here at home. We need to think about the big things. And we don't need to get into false choices.

One of the reasons I went to the Grand Canyon today was to say that it is no longer necessary for a country to grow rich and to burn up the environment. You can now improve the environment and get even richer. That's a fundamental difference in the last 20 years. It was not true in the industrial age; it is no longer true. The Detroit auto show, right now, they've got cars getting 70 miles a gallon, demonstration cars. They'll be on the market in no time. And it's just the beginning.

So I think we're going into the most interesting, exciting time in human history. I'm proud that my country is in good shape. And I'm not running for anything. *[Laughter]* I came here today because you were good to me, both those of you who are having me here, John Eddie and Debbie and the others who brought me here, but also because this country has been good to me. And we're in good shape now. And I don't want to see us squander this opportunity. I don't know when we'll ever get it again. I just know it has never been here before in my lifetime.

So you think about that every day, between now and election day. Ask your friends and your neighbors, without regard to their party, not to make any bogus choices, not to divide people in artificial ways, and take the long look ahead. If we do that, I'm pretty confident how it will all come out.

Thank you very much.

NOTE: The President spoke at 7:58 p.m. at a private residence. In his remarks, he referred to John Eddie and Sheridan Williams, dinner hosts; Debbie D. Branson, president, Texas Trial Lawyers Association, who introduced the President, and her husband, Frank; and author John Grisham.

Letter to Congressional Leaders Transmitting the Report on the Loan Guarantees to Israel Program

January 11, 2000

Dear _____:

Pursuant to section 226(k) of the Foreign Assistance Act of 1961, as amended (FAA), and pursuant to section 1205 of the International Security and Development Cooperation Act of 1985 (ISDCA), enclosed is a copy of the 1999 Report to the Congress on the Loan Guarantees to Israel Program. As the report under section 226(k) of the FAA is required annually until December 31, 1999, this will be the final report submitted under section 226(k) of the FAA.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, Jesse Helms, chairman, and Joseph R. Biden, Jr., ranking member, Senate Committee on Foreign Relations; Ted Stevens, chairman, and Robert C. Byrd, ranking member, Senate Committee on Appropriations; Benjamin A. Gilman, chairman, and Sam Gejdensen, ranking member, House Committee on International Relations; and C.W. Bill Young, chairman, and David R. Obey, ranking member, House Committee on Appropriations. This letter was released by the Office of the Press Secretary on January 12.

Remarks to the Democratic Leadership Council

January 12, 2000

Thank you. Well, first of all, I think we ought to acknowledge that public speaking is not something Jessica does every day, and I think she did a terrific job. I thank her for coming here.

I want to thank Tommy and Sarah and Maggie and Aliza and Grandmother for coming also, so that you would have a human, real example of the subject I want to address today, and one of the biggest reasons I ran for President.

I thank my old friend Senator Joe Lieberman for his leadership of the Democratic Leadership Council. President and Mrs. Trachtenberg, thank you for welcoming me back to George Washington.

I want to acknowledge two other people in the audience today, without whom many of us would never have been able to do what has been done, and particularly, I am indebted to them: first, Will Marshall, who runs the Progressive Policy Institute of the DLC, who has been at this for well over a decade and come up with so many of the ideas that have been hallmarks of our administration. And I want to thank my long-time friend Eli Segal, who actually gave birth, in fact, to two of our most important ideas, AmeriCorps, our national service program. He set AmeriCorps up, and then he set up the Welfare to Work Partnership, which has resulted in hundreds of thousands of people being hired by private business from the welfare rolls. So thank you both for coming here and for what you have done for our country.

I always get nervous when people start talking about legacies, the way Senator Lieberman did. You know, alliteration having the appeal it does, it's just one small step from legacy to lame duck. I keep hearing that. *[Laughter]* And I've finally figured out what a lame duck is. That's when you show up for a speech and no one comes. *[Laughter]* So thank you for making me feel that we're still building on that legacy today.

I want to put the issue I came here to discuss today, which directly affects the Cupp family and so many tens of thousands like them all across America, in the larger context of what we have been about since 1993, in January.

Eight years ago, when I ran for President, I came here to Washington and asked for change in our party, change in our national leadership, and change in our country, not change for its own sake but because in 1992 our Nation was in the grip of economic distress, social decline, political gridlock, and discredited Government. The old answers plainly were obsolete, and new conditions clearly demanded a new approach.

By 1992, we in the DLC had been working for some years on a new approach, rooted in the basic American values of opportunity,

responsibility, and community; dedicated to promoting both work and family here in the United States and to promoting America's leadership around the world for peace and freedom, security and democracy. We believed that Government was neither the primary problem, as the new Republicans had been telling us for a decade by then, or the primary solution, as many New Deal Democrats still earnestly believed. Instead, we asked for a new direction for our National Government, with a focus on creating the conditions and providing people the tools to make the most of their own lives and a commitment to a partnership with the private sector and with State and local government, so that the Federal Government would be a catalyst, promoting and experimenting vigorously with new ideas. It would be a smaller and less bureaucratic but a more active Government.

Those of us who were in the vanguard of this movement called ourselves New Democrats, and we said our agenda was a third way, a way to create a vital center that would bring people together and move our country forward. But we were also quick to acknowledge that labels don't define a politician or a political movement, ideas do.

Our new ideas were first built on the premise that we had to discard the false choices that then defined politics here in our Nation's Capital.

We believed, for example, that we could both eliminate the deficit and increase our investment in education, in science and technology, in the truly significant national priorities. We believed we could be pro-business and pro-labor. We believed we could be pro-growth and pro-environment. We believed we could reform welfare to require those who are able to work and still do more for poor children and poor families. We believed we could improve education both by raising standards and accountability and investing more where it was urgently needed. We believed we could help Americans succeed both at work and at home, rather than forcing them to make a choice, as so many, regrettably, still have to do every single day. We believed we could lower the crime rate both with more effective punishment and with more effective prevention. We believed we

could lead the world with greater military strength and more diplomatic aid and cooperative efforts with other nations.

We had a whole lot of new policy ideas that we implemented. I'll just mention a few: the empowerment zone program and the re-inventing Government program that the Vice President's led so brilliantly; community development financial institutions; AmeriCorps, which now has given over 150,000 young Americans the chance to serve in their community and to earn some money for a college education; the HOPE scholarships, which along with our other college incentives have effectively opened the doors of college to all Americans; the V-chip; trade, with environmental and labor considerations taken into account; after-school programs; 100,000 police; the Brady bill; the family and medical leave law; the assault weapons ban; housing vouchers for people on welfare to move closer to where the jobs are; environmental right-to-know laws; and many, many other ideas, all within this basic framework of opportunity, responsibility, and community, all with a view toward a Government that was less bureaucratic but more active.

Today, we're in a position to make an assessment—very different from 1992. In 1992 Al Gore and I went around the country and made an argument to the American people, and they took a chance on us. And our friends in the Republican Party said, even after I got elected President, that none of it would work. They said our economic plan would explode the deficit and bring on another recession. They said our crime bill, with 100,000 police and the assault weapons ban and the Brady bill, would do nothing to lower the crime rate or the murder rate. And I could go on and on and on, through issue after issue after issue.

Well, back in 1992, it was, after all, just an argument, and the American people took a chance. Now I think we can safely say the argument is over, for one simple reason: It has been put to rest by the record. We have been fortunate enough to implement virtually all the ideas that were advocated in the 1992 campaign, and most of those advanced in the '96 campaign. And we now have 7 years of measurable results. Some of

them were mentioned by Senator Lieberman, but I think it's worth going over again, to set the stage for the point I want to make, which is the more important one.

We have the fastest economic growth in more than 30 years, the lowest unemployment rate and the smallest welfare rolls in 30 years, over 20 million new jobs, the lowest poverty rate in 20 years, the lowest murder rate in 30 years, the first back-to-back surpluses in our budget in 42 years, the highest homeownership in history. And in just a few weeks, now, we'll have the longest economic expansion in the history of the country, including those when we were fully mobilized for wartime.

In addition to that, there has been a definite improvement in the social complexion of America. We have the lowest child poverty rate in more than 20 years, the lowest female unemployment rate in 40 years, the lowest African-American unemployment and poverty rates ever recorded, the lowest Hispanic unemployment rate ever, the lowest Hispanic poverty rate in 25 years, the lowest poverty rate among single-parent households in 46 years.

Along the way, we have immunized 90 percent of our children against serious childhood diseases for the first time in the history of America. We have 2 million more kids out of poverty and 2 million more children with health insurance. Twenty million people have taken advantage of the family and medical leave law. Over 450,000 people have been denied the right to buy a handgun because they were felons, fugitives, or stalkers, under the Brady bill. We have cleaner air, cleaner water. We have cleaned up 3 times as many toxic waste dumps as in the previous 12 years.

And yesterday I had the privilege to go to the Grand Canyon to set aside another million acres of land. Now in the lower 48 States, we have protected more land than any administration in American history, except those of Franklin and Theodore Roosevelt.

Our country has helped to further the cause of peace from Northern Ireland to the Middle East to Bosnia and Kosovo to Haiti; established new partnerships with Latin America, Asia, and Africa for economic cooperation; restrained the nuclear missile programs of North Korea; fought against Iraq's

weapons of mass destruction program; worked to reduce the threat of terrorism, chemical, and biological weapons; cut thousands of nuclear weapons in the arsenals of Russia and the United States; expanded NATO; increased our debt relief and economic assistance to the poorest countries of the world. We have helped to minimize economic problems in Asia and Mexico and concluded over 270 trade agreements, all with a view toward implementing the basic ideas that were articulated in 1992 and developed in the years before through the Democratic Leadership Council.

Now what does that mean in practical terms to all of you and especially to the young people in this audience? It means for the first time in my lifetime, we begin a new century with greater prosperity, greater social progress, greater national self-confidence, with the absence of an internal crisis or an external threat that could derail our further forward movement. This has never happened in my lifetime.

The first time I came to George Washington University was in September of 1964, to a Judy Collins concert in Lisner Auditorium. *[Laughter]* I remember it well. Some of you were not alive then, maybe more than half of you. That's the last time we had this sort of economic growth and this kind of range of interest in our country toward helping people who had been left out and left behind or were in distress. But we were unable to resolve the civil rights challenge at home without major crises, including riots in our cities, and our efforts to deal with that came a cropper with the costs in the burden of carrying on the war in Vietnam.

In my lifetime, we have never had a chance like this—never. And I would argue to you that the most important question today is not what we've done for the last 7 years in turning the ship of state around and moving America forward, but what are we going to do now that we have the chance of a lifetime to build the future of our dreams for our children? That's the most important thing. I am gratified by all the results that I just recounted to you, but after all, that's what you hired me to do. And that's what our administration signed on to do.

The question is, what are we going to do now? What will you do, as citizens, when I am no longer here, and I'm just a citizen like you? As a country, what will be our driving vision?

The thing I worry about most is that when people have been through tough times and they've achieved a lot, the first thing that you want to do is sort of relax. And most everybody here who's lived any number of years can remember at least once in his or her life when you made a mistake by getting distracted or short-sighted because things seemed to be going so well you didn't think you had to think about anything else. That can happen to a country just as it can happen to a person, a family, or a business. So the great challenge for us today is to make up our minds, what are we going to do with this magic moment of promise?

What I want us to do is to put our partisan divisions aside to complete the unfinished business of the last century, including things like the Patients' Bill of Rights, sensible legislation to keep guns out of the hands of criminals and children, the hate crimes legislation, all the things that were still on the agenda when Congress went home, but to deal with these big, long-term challenges.

What are they? The aging of America—the number of people over 65 will double in the next 30 years. I hope to be one of them. *[Laughter]* The children of America, the largest and most diverse group ever—in a globalized information society education is more important than ever, and we must give all of them a world-class education.

We can make America—yes, we've got the lowest crime rate in over 25 years, the lowest murder rate in 30 years—no one believes it's the safest—safe as it ought to be here. We ought to dedicate ourselves to making America the safest big country in the world.

We've proved that we can improve the environment and grow the economy, but we still aren't taking the challenge of global warming seriously. And we still not have said explicitly: The world has changed; it is no longer necessary to grow rich by despoiling the environment. In fact, you can generate more wealth over a longer period of time by improving the environment. America ought to prove that, instead of continuing to be a

problem and having our heads in the sand on the issue of climate change.

We ought to dedicate ourselves not just to running surpluses but to getting America out of debt for the first time since 1835, so that all the young people here will have lower interest rates and a healthier economy throughout their adult lifetime. We ought to dedicate ourselves to bringing opportunity to the people and places who have been left behind. We ought to dedicate ourselves to building a world in which there is a more human face on the global economy and in which we work with our friends and neighbors to deal with the new threats of terrorism, ethnic, racial, and religious warfare, and chemical and biological weapons.

And we ought to recognize that in a world in which we know the most important job is still—is still—the job that Jessica and her husband have taken on of raising these three children. We cannot allow—we cannot allow—our country to be a place where you have to make a decision about to whether succeed at home or to succeed at work. Because if we ever get to the point where a significant number of our people have to make that decision, we are in serious trouble. And too many have to make it every day, anyway, because they can't afford child care, or because of the burdens of the basic cost of raising their children in dignity and good health imposed on their limited ability to earn money, even in this prosperous economy. And that's the thing I want to focus on today, because I think when the American family is doing well, the family of America does well.

In the State of the Union Address, I will put forth my last, but still a new agenda, rooted in responsibility, designed to create a wider, stronger, more inclusive American community, and to create new opportunity. Today I want to talk about one important element of the new opportunity agenda.

We know that we are now in a position to do more to create opportunity or, as Senator Lieberman and Al From say, to expand the winner's circle, to include men, women, and children still at the margins of society who are willing to work and ought to be rewarded for it.

The ideas that I will advance in the State of the Union will be built on what we have been talking about since 1992, advancing our understanding of what opportunity means in the information age. For example, once textbooks were central to a child's understanding in education; today, computers are. Once a ninth-grade education was all anyone needed for a job, then a high school education; today, the only people who have good chances of getting jobs which will grow over time in income, over a longer period of time, are those who have at least 2 years of some sort of post-high school education and training.

One new opportunity agenda tries to take account of these new demands but also the new pressures on working families, including the need for quality, affordable child care and the importance of being able to access health care.

The main idea here is still the old idea of the American dream, that if you work hard and play by the rules, you ought to have a decent life and a chance for your children to have a better one. That's been the basic goal of so much of what we've done, from the earned-income tax credit to the empowerment zone program the Vice President ran, to the microcredit program the First Lady's done so much to advance, to increasing the minimum wage, to greater access to health care and child care, to the partnerships that we have made with so many American businesses to help people move from welfare to work.

Now, I will have more to say about all these other ideas later. But I just want to talk a little bit today, in closing, about what we should do with the earned-income tax credit, something that you've heard Jessica say has already helped the Cupp family to raise their children but something that is not as helpful now as it was when they first drew it.

In my State of the Union Address and in my budget for 2001, I will propose a substantial increase in the earned-income tax credit. It's a targeted tax cut for low income working families.

In 1992, as has already been said, one of the first things that I did as President was to ask Congress to dramatically expand the EITC. It had been on the books for some

time; it had been broadly supported by Democrats and Republicans. President Reagan had hailed it. Everybody seemed to like it, because basically it involved a tax credit for people who were working and had children—almost all of them have children—and who just didn't have enough to get along on.

It is not just another acronym. The EITC was anonymous, I think, in America until a previous Congress tried to do something to it, and then all of a sudden it became something we all knew about and liked, which was immensely gratifying to me. But the EITC stands for, again I will say, the E is about earned, it's about working, it's about a fundamental American value, it's about rewarding people who do what they're supposed to do.

I think every one of you, when Jessica was up here talking, describing the conditions of their children's birth, their work histories, how they had worked hard to provide a decent home for their kids, every one of us was sitting here pulling for them. Every one of you identified with their struggle. Every one of you could imagine what it would have been like to be the father in the delivery room and see these kids come out, one, two, three. [*Laughter*]

Every one of you. That's what this country is all about, the dignity, the struggles, the triumphs, the joys of daily life that we all share. And I think our Government has a responsibility, as part of our basic compact with the American people, to make sure that families like the Cupps find that work does pay, to make sure that we reward work and that we enable them to succeed at their even more important job, raising those three little girls. It is still, I will say again, society's most important job. And I suspect that every parent in this room today agrees with me about that.

So these incentives to work are just as important to how life plays out for millions of Americans, as the rate of economic growth or interest rates or debt reduction. Studies from Harvard to Wisconsin have confirmed that the EITC is an enormously powerful incentive to work. It encourages people who are on welfare, who are unemployed, to move into the work force, even in modest-paying jobs, because their income will be,

in effect, increased; they'll get a check at the end of the year as a credit against the taxes they pay, because they're working hard for modest income.

Now, in 1998 the EITC helped more than 4.3 million people make that move. That's double the number that were being helped in 1993, when we advocated the expansion. This tax credit is a major reason, along with the strength of the economy, the rise in the minimum wage, and the movement from welfare to work, that there are fewer people in poverty today than there have been in over 20 years. It explains why the child poverty rate is lower than it's been in over 20 years, and why poverty among African-American children is the lowest on record, and the lowest among a quarter century among Hispanic children.

Now, because we know this works, and we know there are still far too many families and children in or near poverty and far too many people struggling and working, having a tough time taking care of their children, we know there is more to do. Today I am proposing the following changes in the EITC.

First, I want to eliminate the marriage penalty exacted by the EITC to make sure that the tax credit rewards marriage and family just as it rewards work. It's a big problem.

Second—the next two are very important to the Cupp family; they will affect all the families in our country like them, and there are a lot of them—I am proposing to expand the EITC for families with three or more children.

The pressures on these families rise as their ranks increase. Twenty-eight percent of them—let me say that again—28 percent of them are in poverty, more than twice the rate for smaller families. Our plan would provide these families tax relief that is up to \$1,200 more than what they now receive. The way the EITC works now, it's a really good deal if you're working for a very modest income and you have two kids. But the benefits drop off dramatically after that. And I don't think we ought to make these folks choose among those little girls and others in their situation.

Now, the third thing we're going to do is to give more people more incentives to continue to work their way into the middle class.

You heard Jessica say that when her husband's income reached \$30,000, the EITC benefit dropped off dramatically. We set these ceilings back in 1993, and they haven't been really adjusted since then. What we want to do now is to phase the EITC credit out more gradually. It has to be phased out, but if it's phased out too sharply, then there is, in effect, for families with a lot of kids, almost no net gain to earning a higher income. And if he's going to work longer than 40 hours a week and he's going to miss more hours at home with those kids, then we want him to receive the benefits of that. And again, I say, this is not just about this one family; they represent millions of people in this country.

So that's what we're going to do: Eliminate the marriage penalty, increase aid to families with three or more kids, and phase the credit out more gradually, so there's always an incentive to keep working to improve your income and your ability to support your children.

Now, for families like the Cupps, these new initiatives would mean an additional tax credit of \$850. That would help them to provide for their children or own a home or buy a car that makes it easier to get to work and, therefore, to work.

We dedicate \$21 billion to these priorities over 10 years, increasing our investment in people without in any way undermining our commitment to a balanced budget and to getting us out of debt over the next 15 years.

Opportunity for all is a measure of not only how far we've come and where we're going but what kind of people we are. Robert Kennedy once said, "our society, all our values, are views of each other and our own self-esteem." The contribution we can make to ourselves, our families, and the community around us—all these things are built on the work we do.

The young people here, the students here, are probably beginning to think about the work you will do. I hope because you're getting a good education, more than anything else, you'll be able to do something that you love. And if you do something that you love, I believe that you ought to be properly rewarded for it and that you ought also to have

the freedom to raise a strong family while you're doing it. That's what today is all about.

And if there is anything that America ought to be about in the 21st century, it ought to be about finally, really creating opportunity for all, a responsible nation of all citizens, and a community in which everyone has the chance to do the most important work of all: raise strong, healthy, happy children.

Thank you very much.

NOTE: The President spoke at 1:45 p.m. in the Dorothy Betts Marvin Theatre at George Washington University. In his remarks, he referred to Jessica Cupp, who introduced the President, her husband, Tommy, and their triplets Sarah, Maggie, and Aliza; Senator Joseph I. Lieberman, founder, New Democratic Network; Stephen J. Trachtenberg, president, George Washington University, and his wife, Francine Zorn Trachtenberg; William Marshall, president and founder, Progressive Policy Institute; Eli Segal, president, Welfare to Work Partnership; and Al From, president, Democratic Leadership Council.

Statement on the Death of Tom Foerster

January 12, 2000

Hillary and I were deeply saddened to learn of the death of Tom Foerster, who for 40 years served the people of Allegheny County with pride, distinction, and most of all, compassion. Tom's years in office, a record 28 of them as Allegheny County commissioner, should serve as an example to everyone of what a public servant ought to be.

Throughout his long political career, Tom always put the needs of the people of Allegheny County first. I was particularly pleased that last year Tom decided to return to politics and was victorious in his race for a seat on the Allegheny County Council.

Hillary and I extend our deepest sympathies to his wife, Georgeann, and to his family.